



Investor Presentation

# BDO 2024 Results

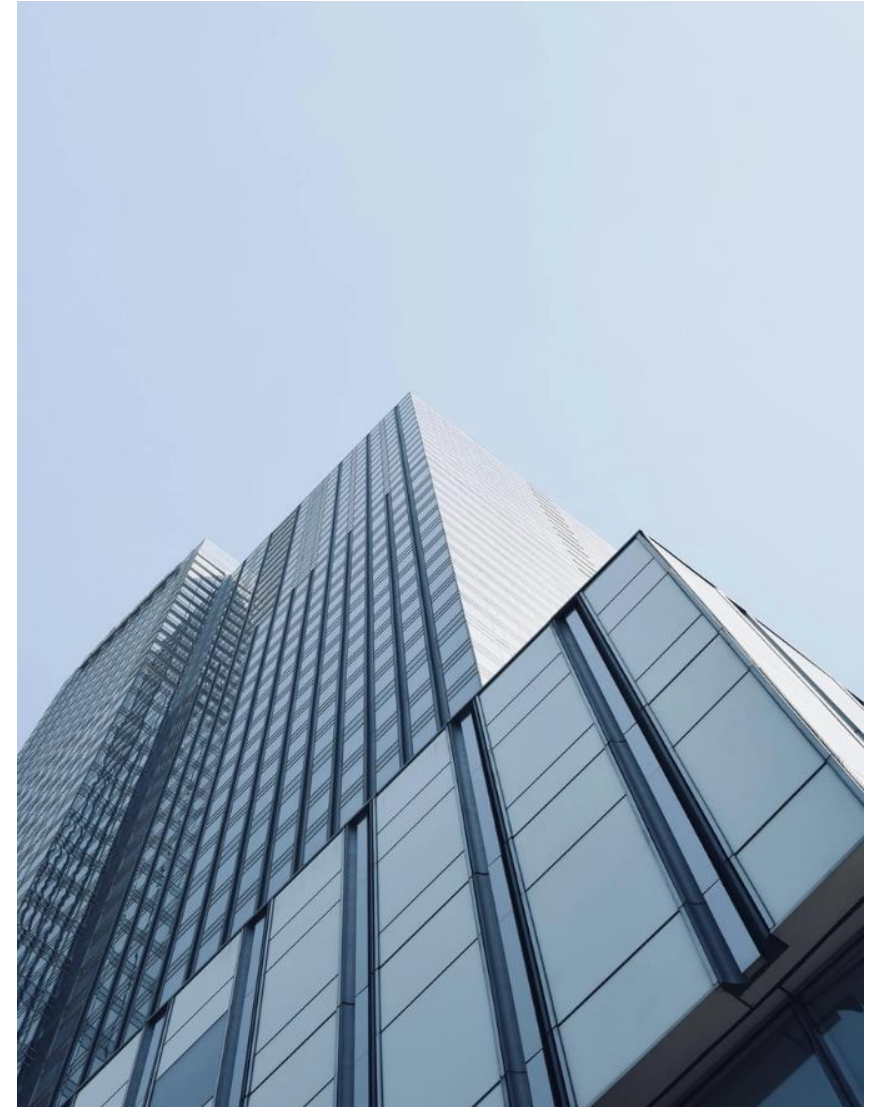
March 2025

# Presentation Outline

- I. Overview
- II. Financial Highlights
- III. Ownership, Board and Management
- IV. Sustainability
- V. Awards and Citations

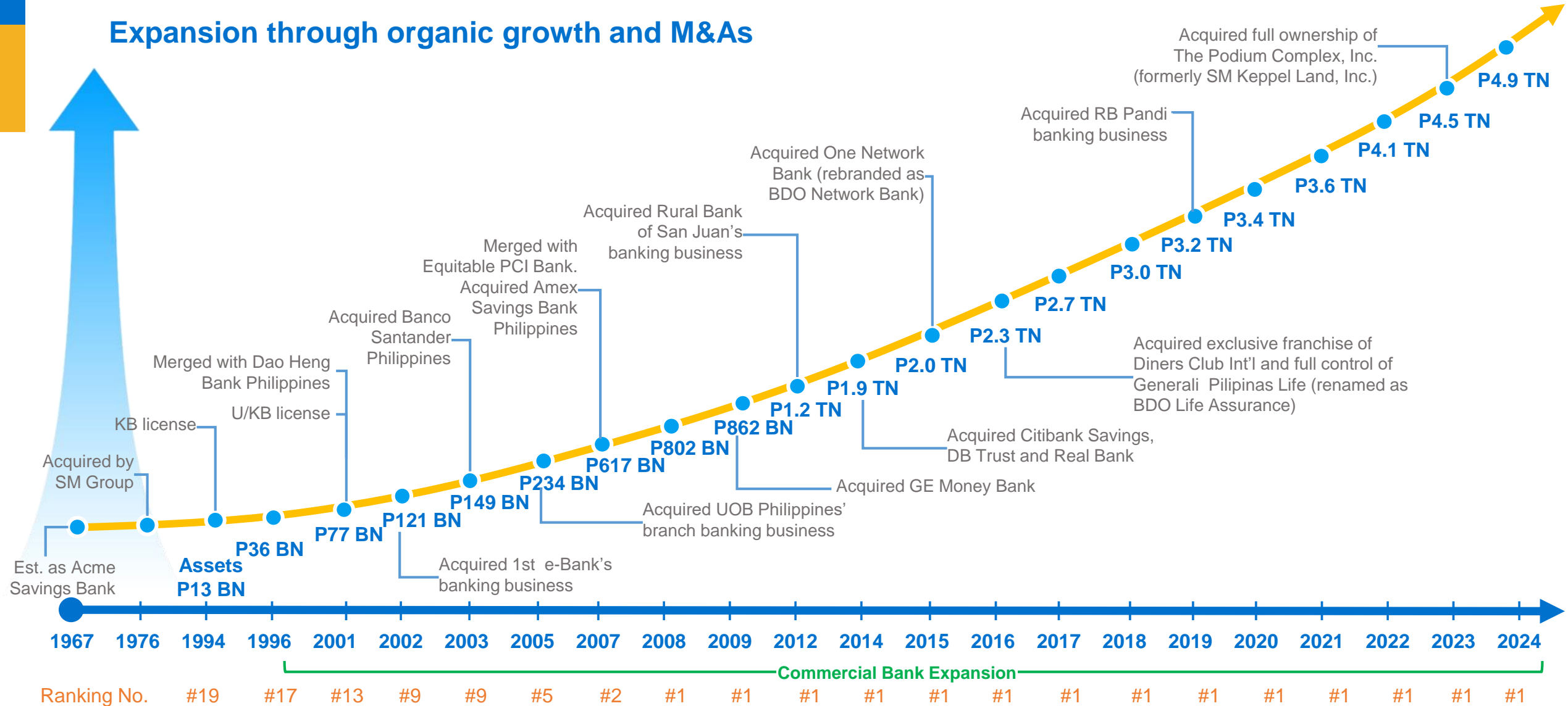
# About BDO

- BDO is a full-service universal bank which provides a wide range of corporate and retail banking services.
- Our services include traditional loan and deposit products, as well as treasury, trust banking, investment banking, private banking, rural banking and microfinance, cash management, leasing and finance, remittance, life insurance, property and casualty insurance brokerage, cash cards, credit cards, and online and traditional stock brokerage services complemented by digital banking solutions to make banking easier, faster, and more secure for our clients.
- We have one of the largest distribution networks, with more than 1,700 operating branches and over 5,800 teller machines nationwide.
- We also have branches in Hong Kong and Singapore as well as 14 other international offices in Asia, Europe, North America and the Middle East.
- Our groundbreaking services in the Philippines include weekend banking and extended banking hours which have been highly acclaimed by the general public.
- BDO ranked as the largest bank in terms of total assets, loans, deposits, and trust funds under management based on published statements of condition as of 31 December 2024.



# Milestones

## Expansion through organic growth and M&As

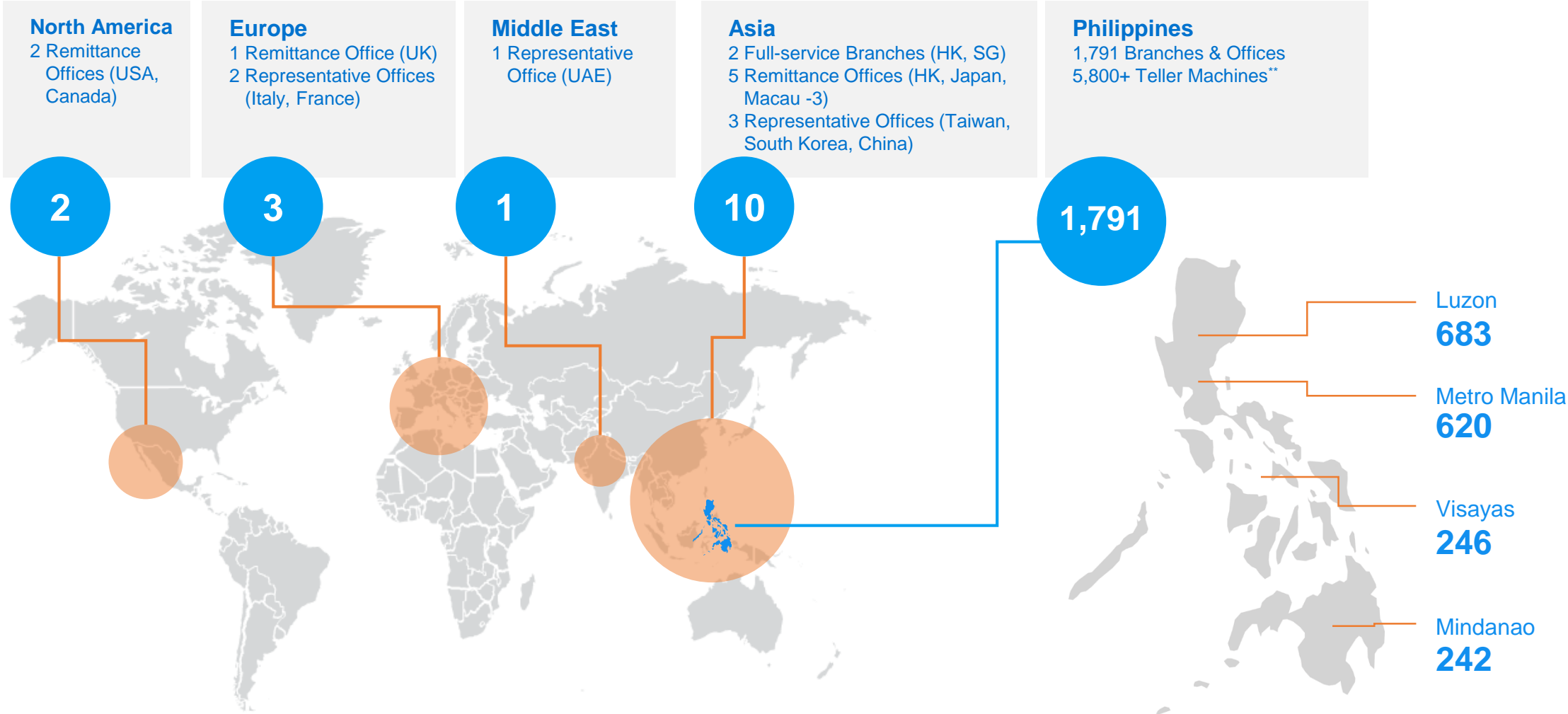


# Full Service Bank

Complete range of financial products and services

Corporate & Institutional Banking	Leasing & Finance	Consumer Banking	Rural Banking & Microfinance	Branch Banking	Treasury Services
<ul style="list-style-type: none"> <li>➤ Corporate and middle market lending</li> <li>➤ Trade finance</li> <li>➤ Specialized lending</li> <li>➤ Financial institutions</li> <li>➤ Cross-border financing</li> </ul>	<ul style="list-style-type: none"> <li>➤ Direct lease, sale and leaseback arrangements</li> <li>➤ Installment paper purchases</li> <li>➤ Receivable discounting and factoring</li> </ul>	<ul style="list-style-type: none"> <li>➤ Auto loans</li> <li>➤ Mortgage loans</li> <li>➤ Credit cards</li> <li>➤ Personal loans</li> <li>➤ Merchant payment processing</li> </ul>	<ul style="list-style-type: none"> <li>➤ Salary loans</li> <li>➤ MSME loans</li> <li>➤ Deposit products</li> <li>➤ Cash management</li> <li>➤ Remittances</li> </ul>	<ul style="list-style-type: none"> <li>➤ Deposit &amp; related products</li> <li>➤ Over-the-counter transactions</li> <li>➤ Cross-selling distribution platform</li> </ul>	<ul style="list-style-type: none"> <li>➤ Fixed income dealership</li> <li>➤ Foreign exchange transactions</li> <li>➤ Portfolio management</li> <li>➤ Liquidity management</li> </ul>
Trust Banking	Private Banking	Investment Banking	Stock Brokerage	Insurance	Transaction Banking
<ul style="list-style-type: none"> <li>➤ Investment management</li> <li>➤ Unit investment trust funds</li> <li>➤ Living trusts</li> <li>➤ Retirement funds</li> <li>➤ Special trusts / custodianship</li> </ul>	<ul style="list-style-type: none"> <li>➤ Wealth advisory</li> <li>➤ Customized portfolio management</li> </ul>	<ul style="list-style-type: none"> <li>➤ Underwriting &amp; distribution of fixed income &amp; equity securities</li> <li>➤ Financial advisory</li> <li>➤ Project finance</li> <li>➤ Loan syndication</li> </ul>	<ul style="list-style-type: none"> <li>➤ Equities trading</li> <li>➤ Online stock trading</li> </ul>	<ul style="list-style-type: none"> <li>➤ Non-life insurance brokerage (property &amp; casualty)</li> <li>➤ Life insurance (individual &amp; group life insurance)</li> </ul>	<ul style="list-style-type: none"> <li>➤ Cash management</li> <li>➤ Electronic banking</li> <li>➤ ATMs</li> <li>➤ Prepaid cards</li> <li>➤ Merchant acquiring</li> <li>➤ Remittances</li> </ul>

# Wide and Extensive Coverage in Key Areas



\*\*Cash accept machines, universal teller machines, and self-service teller machines as of 31 December 2024

As of 31 December 2024

# Business Franchise

Market-leading positions in almost all business lines



**#1**

Customer  
Loans



**#1**

Deposits



**#1**

Assets Under  
Management



**#1**

Remittances



**#1**

Credit Cards<sup>1</sup>



Major Player in  
Cash  
Management<sup>3</sup>



**#1**

Investment  
Banking<sup>4</sup>



**#1**

Private  
Banking



**#1**

Life  
Insurance<sup>5</sup>



**#1**

Insurance  
Brokerage<sup>6</sup>



Leading Trade  
Services  
Provider<sup>2</sup>

Notes:

1 In terms of cardholder base, merchant acquiring gross billings, and credit card receivables

2 According to Asian Banking and Finance, Global Finance

3 According to Alpha South East Asia, Asian Banking and Finance, The Asset

4 In terms of debt and equity capital markets corporate issuances, excluding banks' stock rights offers

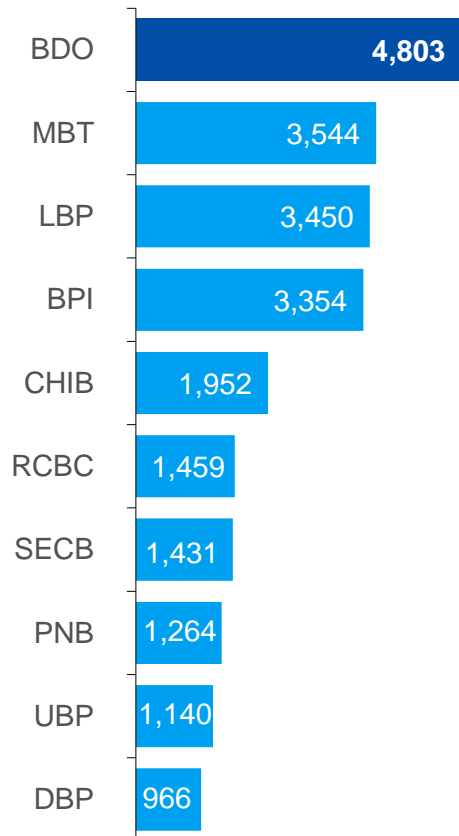
5 Among local life insurance companies in terms of traditional premium income

6 Among insurance brokers in terms of premiums produced and commissions earned

# No. 1 among Philippine Banks

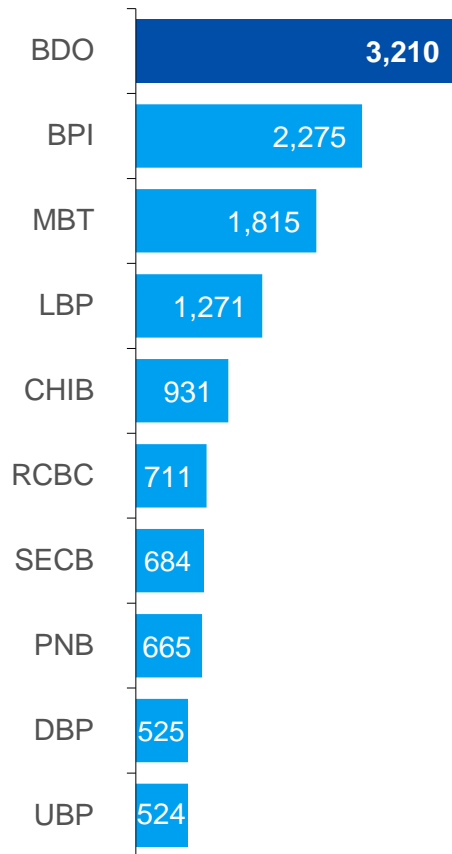
**Total Assets**  
(PHP bn)

Market Share 18%



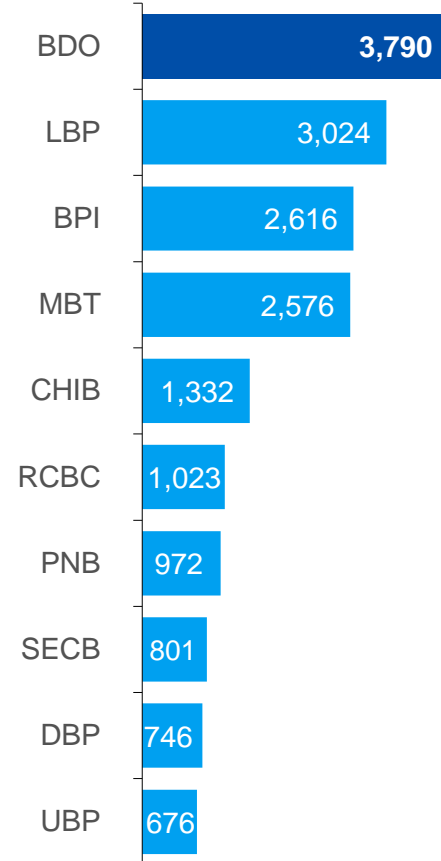
**Gross Customer Loans**  
(PHP bn)

Market Share 23%



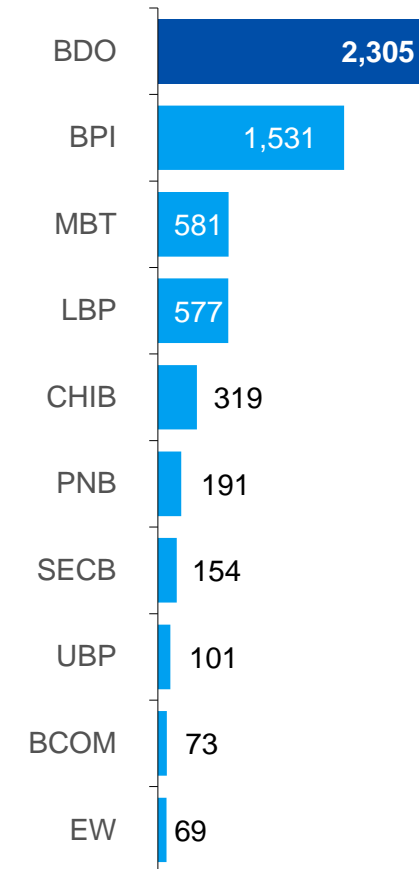
**Customer Deposits**  
(PHP bn)

Market Share 19%



**Assets Under Management**  
(PHP bn)

Market Share 38%



Notes:

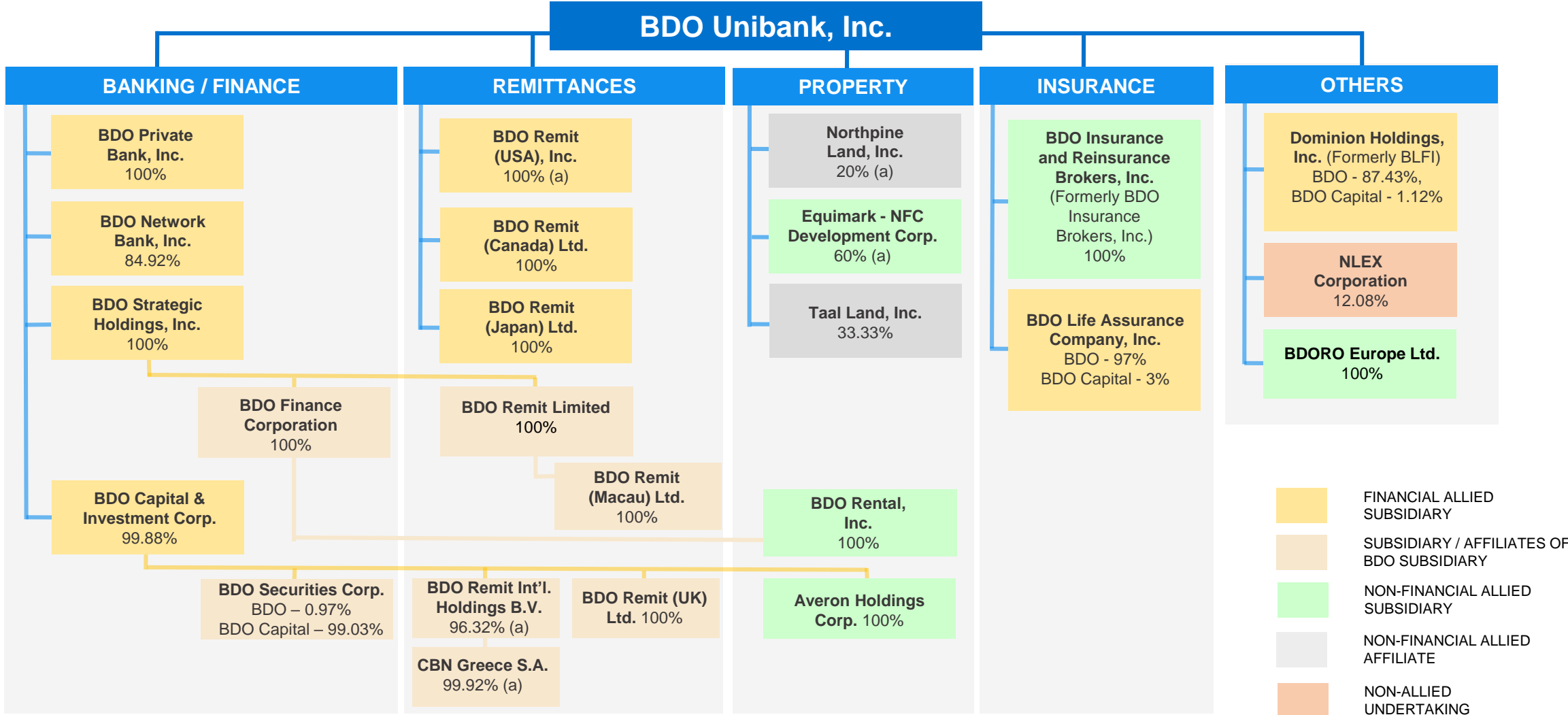
Ranking and market share based on compilation of consolidated published statements of condition (SOC) of U/KBs as of 31 December 2024; does not include non-bank trust corporations

\*Financials prepared by banks under BSP's SOC requirements differ slightly from reported financials under SEC guidelines due to certain differences in accounting rules followed by the two authorities.



# Organizational Structure

With equity investments in allied and non-allied enterprises



(a) For dissolution

As of 31 December 2024

# Credit Ratings

	Moody's	Fitch
	27-Mar-2024	20-Mar-2025
<b>Outlook</b>	<b>Stable</b>	<b>Stable</b>
<b>Bank Deposits/IDR (Foreign/Local)</b>		
Long Term	Baa2	BBB-
Long Term xgs		BBB-(xgs)
Short Term	P-2	F3
Short Term xgs		F3(xgs)
<b>Senior Unsecured debt (Foreign)</b>	Baa2	
<b>Other Short Term</b>	(P)P-2	
<b>BCA/Viability Rating</b>		
Baseline Credit Assessment (BCA)	baa2	
Adjusted BCA Rating	baa2	
Viability Rating		bbb-
<b>Counterparty Risk Rating (CRR)* (Foreign/Local)</b>		
Long Term	Baa1	
Short Term	P-2	
<b>Counterparty Risk (CR) Assessment (Local)</b>		
Long Term	Baa1(cr)	
Short Term	P-2 (cr)	
<b>Government Support Rating</b>		bbb-
<i>"xgs" refers to Ex-Government Support Ratings</i>		
<i>Source: Moody's, Fitch</i>		

# Trading Fact Sheet

Stock Details	
Type	Common Shares
Stock Ticker	BDO
ISIN	PHY077751022
Exchange	Philippine Stock Exchange
Par Value	P10.00
Outstanding No. of Shares*	5,272,257,961 <i>as of 31 December 2024</i>
Foreign Ownership	Up to 40%

American Depositary Receipts (ADR) Program Details	
Type	Sponsored Level 1 ADR
ADR Ticker	BDOUY
ISIN	US05537Y3045
Ratio	1 ADR = 10 Ordinary Shares
Depositary Bank	Deutsche Bank Trust Company Americas
Contact Details	
ADR Broker Helpline	
Tel (New York)	+ 1 212 250 9100
Tel (London)	+ 44 207 547 6500
Email	<a href="mailto:adr@db.com">adr@db.com</a>
ADR website	<a href="http://www.adr.db.com">www.adr.db.com</a>
Depositary Bank's Local Custodian	Deutsche Bank AG, Manila

\*Number of shares outstanding subsequently increased to 5,272,597,860 as of 31 March 2025 due to the purchase of additional common shares by the Bank's eligible senior officers pursuant to the Bank's employee stock option/grant program.

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# 2024 P&L

## BDO Conso

(PHP bn)	2023	2024	YoY%
Interest Income	231.7	272.0	17%
Interest Expense	59.3	85.4	44%
Net Interest Income	172.4	186.6	8%
Non-interest Income	71.7	77.7	8%
• Fee income	47.9	55.9	17%
• Income from Insurance Operations	6.4	6.8	7%
• Trading & FX	6.3	6.7	6%
• Others	11.1	8.3	-25%
Gross Operating Income	244.1	264.3	8%
Operating Expense	130.5	146.6	12%
Pre-Provision Operating Profit	113.6	117.7	4%
• Provisions	16.4	14.0	-14%
Net Income Before Tax	97.2	103.7	7%
Taxes	23.6	21.5	-9%
Net Income	73.4	82.0	12%
Return on Common Equity	15.2%	15.1%	

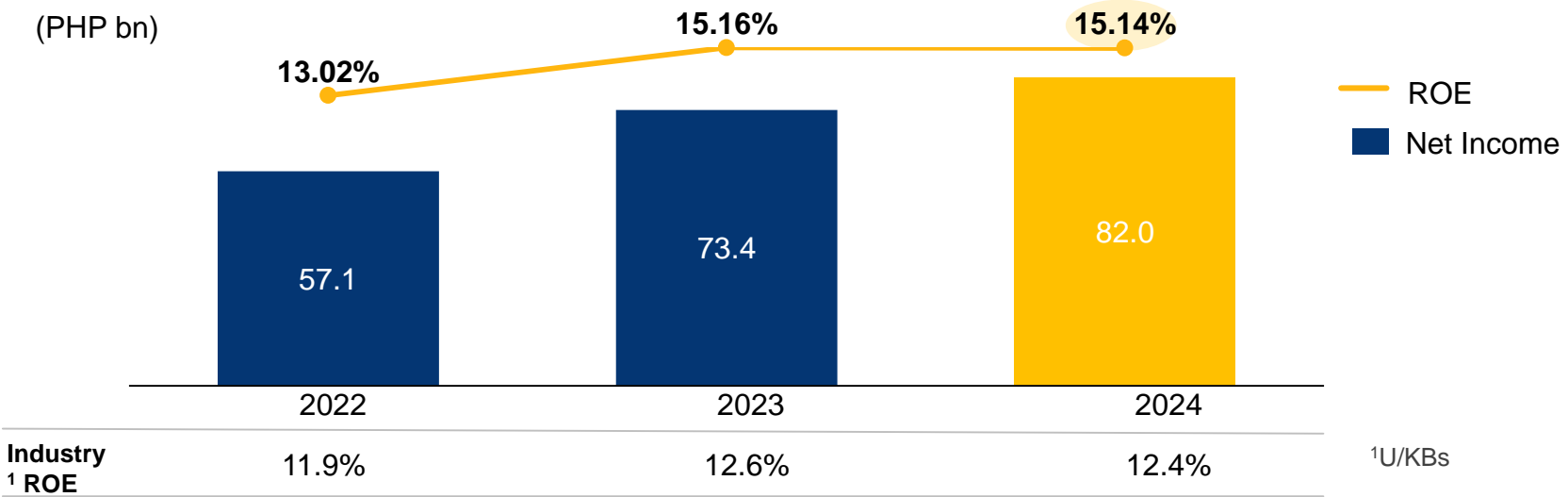
# Balance Sheet

## BDO Conso

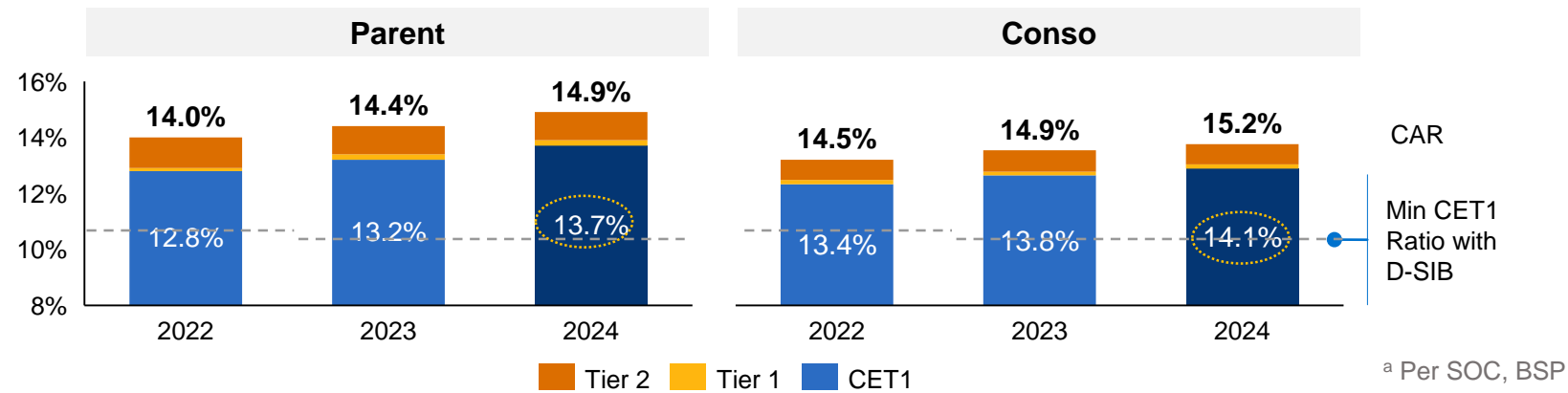
(PHP bn)	2023	2024	YoY%
<b>Resources</b>			
• Liquid Assets	609.8	557.1	-9%
• Investment Securities	824.8	876.1	6%
• Gross Customer Loans	2,848.8	3,225.2	13%
• Investment Properties	42.4	33.8	-20%
• Assets for Life Insurance Contracts	115.6	121.9	5%
• Other Assets	36.2	61.9	71%
<b>Total Resources</b>	<b>4,477.7</b>	<b>4,876.1</b>	<b>9%</b>
<b>Liabilities</b>			
• Deposits	3,567.6	3,794.0	6%
• CASA	2,555.5	2,711.8	6%
• Bills Payable/Sub-Debt	189.6	261.5	38%
• Insurance Contract Liabilities	82.5	91.5	11%
• Other Liabilities	119.5	151.7	27%
<b>Total Liabilities</b>	<b>3,959.1</b>	<b>4,298.7</b>	<b>9%</b>
<b>Total Capital</b>	<b>518.6</b>	<b>577.4</b>	<b>11%</b>
• Shareholders' Equity	515.9	574.7	11%
<b>Total Liabilities &amp; Capital</b>	<b>4,477.7</b>	<b>4,876.1</b>	<b>9%</b>

# Capital & Profitability

## Net Income & ROE



## Capital Adequacy Ratio<sup>a</sup>



# Income Statement

(PHP bn)	2019*	2020	2021	2022**	2023**	2024
Interest Income	160.6	157.0	144.9	161.8	231.7	272.0
Interest Expense	40.7	23.3	13.5	22.9	59.3	85.4
<b>Net Interest Income</b>	<b>119.9</b>	<b>133.7</b>	<b>131.3</b>	<b>138.9</b>	<b>172.4</b>	<b>186.6</b>
<b>Non-interest Income</b>	<b>60.1</b>	<b>55.2</b>	<b>61.4</b>	<b>57.2</b>	<b>71.7</b>	<b>77.7</b>
Fee Income	35.3	28.6	34.8	43.1	47.9	55.9
Income from Insurance Operations	—	—	—	5.0	6.4	6.8
Insurance Premiums	14.8	15.0	18.1	—	—	—
Trading & FX	5.2	7.3	3.8	5.5	6.3	6.7
Others	4.9	4.3	4.5	3.7	11.1	8.3
<b>Gross Operating Income</b>	<b>180.0</b>	<b>188.9</b>	<b>192.7</b>	<b>196.2</b>	<b>244.1</b>	<b>264.3</b>
<b>Operating Expenses</b>	<b>114.6</b>	<b>112.6</b>	<b>119.9</b>	<b>106.6</b>	<b>130.5</b>	<b>146.6</b>
<b>Pre-Provision Operating Profit</b>	<b>65.4</b>	<b>76.3</b>	<b>72.8</b>	<b>89.5</b>	<b>113.6</b>	<b>117.7</b>
Provisions	6.2	30.2	17.1	16.3	16.4	14.0
Taxes	15.0	17.8	12.9	16.0	23.6	21.5
<b>Net Income</b>	<b>44.2</b>	<b>28.2</b>	<b>42.8</b>	<b>57.1</b>	<b>73.4</b>	<b>82.0</b>

Note: \* Restated 2019 to align with 2020-2022 AFS presentation of netting out BDO Life VUL-related policy reserves in trading line

\*\*Adjustments were made to make the 2024 financial statements more comparable to regional standards per auditors' recommendation, with 2022 and 2023 numbers restated



# Balance Sheet

(PHP bn)	2019	2020	2021	2022**	2023**	2024
<b>Resources</b>						
Liquid Assets	450.7	532.2	551.9	671.1	609.8	557.1
Investment Securities	435.9	508.8	616.3	641.7	824.8	876.1
Gross Customer Loans	2,208.1	2,263.7	2,400.2	2,610.5	2,848.8	3,225.2
Investment Properties	16.9	15.9	18.8	17.2	42.4	33.8
Assets for Life Insurance Contracts				89.5	115.6	121.9
Other Assets	77.3	54.4	36.6	44.6	36.2	61.9
<b>Total Resources</b>	<b>3,188.9</b>	<b>3,374.9</b>	<b>3,623.7</b>	<b>4,074.7</b>	<b>4,477.7</b>	<b>4,876.1</b>
<b>Liabilities</b>						
Deposits	2,485.2	2,610.2	2,820.9	3,220.9	3,567.6	3,794.0
Bills Payable/Sub-debt	177.6	209.7	204.4	198.9	189.6	261.5
Insurance Contract Liabilities.	42.5	58.4	65.3	69.4	82.5	91.5
Other Liabilities	113.0	103.6	108.5	124.1	119.5	151.7
<b>Total Liabilities</b>	<b>2,818.3</b>	<b>2,981.9</b>	<b>3,199.2</b>	<b>3,613.3</b>	<b>3,959.1</b>	<b>4,298.7</b>
<b>Total Capital</b>	<b>370.6</b>	<b>393.0</b>	<b>424.5</b>	<b>461.5</b>	<b>518.6</b>	<b>577.4</b>
<b>Total Liabilities &amp; Capital</b>	<b>3,188.9</b>	<b>3,374.9</b>	<b>3,623.7</b>	<b>4,074.7</b>	<b>4,477.7</b>	<b>4,876.1</b>

\*\*Restated 2022 – 2023

# Financial Performance Indicators

	2019	2020	2021	2022**	2023**	2024
<b>Profitability</b>						
Return on Ave. Common Equity	12.8%	7.6%	10.5%	13.0%	15.2%	15.1%
Return on Average Assets	1.4%	0.9%	1.2%	1.5%	1.7%	1.8%
<b>Margins and Liquidity</b>						
Net Interest Margin (NIM)	4.2%	4.4%	4.0%	3.9%	4.4%	4.4%
Loan to Deposit Ratio	88.8%	86.7%	85.1%	81.1%	79.9%	85.0%
Liquid Assets to Total Assets	27.8%	30.8%	32.2%	32.2%	32.0%	29.4%
Liquidity Coverage Ratio (LCR)	108.4%	127.1%	145.4%	140.7%	123.2%	132.1%
<b>Cost Efficiency</b>						
Cost to Income Ratio	63.7%	59.6%	62.2%	54.4%	53.5%	55.5%
Cost to Assets Ratio	3.7%	3.4%	3.4%	2.8%	3.1%	3.1%
<b>Asset Quality</b>						
NPL Ratio	1.13% <sup>a</sup>	2.65% <sup>a</sup>	2.80% <sup>a</sup>	1.95% <sup>a</sup>	1.85% <sup>a</sup>	1.83% <sup>a</sup>
NPL Cover (ex-RE)	123.3% <sup>b</sup>	91.1% <sup>b</sup>	92.0% <sup>b</sup>	136.9% <sup>b</sup>	152.2% <sup>b</sup>	145.0% <sup>b</sup>
<b>Capital and Leverage<sup>c</sup></b>						
				<i>Basel III</i>		
CET1	12.6%	13.2%	13.5%	13.4%	13.8%	14.1%
Tier 1 Ratio	12.8%	13.4%	13.7%	13.6%	14.0%	14.3%
Capital Adequacy Ratio (CAR)	14.2%	14.3%	14.6%	14.5%	14.9%	15.2%
Basel III Leverage Ratio (BLR)	10.0%	10.2%	10.3%	9.8%	9.9%	10.3%

<sup>a</sup> Per BSP Circ. 941

<sup>b</sup> Per BSP Circ. 1011 (ex-RE)

<sup>c</sup> Per SOC, BSP

\*\*Restated 2022 – 2023

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# Shareholder Structure

Majority owned by the SM Group

As of 31 December 2024

Name	Nationality	Shareholdings	Percentage of Ownership
SM Investments Corp.	Filipino	2,144,616,778	40.68%
PCD Nominee	Foreign	1,503,461,766	28.52%
PCD Nominee	Filipino	747,028,024	14.17%
Multi-Realty Development Corporation	Filipino	349,815,643	6.64%
Sybase Equity Investments Corporation	Filipino	282,639,139	5.36%
<b>Sub-Total, Top 5 Shareholders</b>		<b>5,027,561,350</b>	<b>95.37%</b>
<b>Total Outstanding Shares</b>		<b>5,272,257,961</b>	<b>100.00%</b>

Source: BDO Top 100 Shareholders

\*Number of shares outstanding subsequently increased to 5,272,597,860 as of 31 March 2025 due to the purchase of additional common shares by the Bank's eligible senior officers pursuant to the Bank's employee stock option/grant program.

# The SM Group

Harnessing synergies with the country's largest conglomerate



# Board of Directors

- One of the strongest Board of Directors in the industry with extensive banking and finance, legal and business backgrounds
- Independent directors comprise 7 out of the 11-member Board

## Experienced Bankers

Six directors have an average of 38 years of banking experience, including a former Partner and Head of Asia Financials Research at Goldman Sachs and former CIO in PPP Advisory Services at IFC.

## Successful Entrepreneurs

Two directors are successful businesspersons. One with diverse expertise in banking and finance, retail merchandising, mall and real estate development. And the other, a visionary of a company dedicated to providing effectual IT solutions to businesses and institutions.

## Legal Expertise and Distinguished Public Service

Three directors with vast experience in public and private law practice and government service. One director is a former Supreme Court Associate Justice. Another is a former Senate President, Chairperson of multiple Senate Committees and Secretary of Executive Departments. And the other, a former Secretary of the Department of Trade and Industry.

# Board of Directors

With broad business and professional experience



**TERESITA T. SY**  
**CHAIRPERSON**

- First appointed to the Board in 1977
- Serves as Director in multiple subsidiaries of BDO
- Vice Chairperson of SMIC and Director of other SM Group companies



**DIOSCORO I. RAMOS**  
**LEAD INDEPENDENT DIRECTOR**

- First appointed to the Board in 2016 and appointed lead independent director in 2021
- CIO of RY&S Investments Ltd., Hong Kong since 2011
- Former Partner and Head of Asia Financials Research from 1994 to 2011 at Goldman Sachs



**FRANKLIN M. DRILON**  
**INDEPENDENT DIRECTOR**

- Appointed to the Board in October 2023
- Served as Senate President, Secretary of the Department of Justice and the Department of Labor and Employment
- Former Chairperson of the Senate Committee on Finance and Committee on Banks, Financial Institutions, and Currencies



**NESTOR V. TAN**  
**PRESIDENT AND CEO**

- First appointed to the Board in 1998
- Former COO of the Financial Institution Services Group of BZW, the investment banking arm of the Barclays Group
- Holds Directorships at numerous BDO subsidiaries
- MBA Wharton School



**GEORGE T. BARCELON**  
**INDEPENDENT DIRECTOR**

- First appointed to the Board in 2019
- Currently Chairman of the Philippine Chamber of Commerce and Industry
- The visionary behind Integrated Computer Systems Inc., a Top 1000 company



**ALFREDO E. PASCUAL**  
**INDEPENDENT DIRECTOR**

- First appointed to the Board in 2024
- Served as Secretary of the Department of Trade and Industry from 2022-2024
- Former Independent director of SMIC, Megawide, Concepcion Industrial
- 20<sup>th</sup> President of the University of the Philippines



**JONES M. CASTRO, JR.**  
**NON-EXECUTIVE DIRECTOR**

- First appointed to the Board in 2012
- Served as Head for South Asia and SEA at Wells Fargo Bank
- MBA Stanford University



**ESTELA P. BERNABE**  
**INDEPENDENT DIRECTOR**

- First appointed to the Board in 2022
- Former Senior Associate Justice of the Supreme Court of the Philippines
- With more than 40 years' experience in public and private legal practice



**VICENTE S. PEREZ, JR.**  
**INDEPENDENT DIRECTOR**

- First appointed to the Board in 2019
- Served as Secretary of the Department of Energy 2001-2005
- Chairman of Altenergy and Solar Pacific
- MBA Wharton School



**JOSEFINA N. TAN**  
**NON-EXECUTIVE DIRECTOR**

- First appointed to the Board in 2007
- Former President of BDO Private Bank
- Former Director of EPCIB from 2005 to 2007
- Former Director of Banco de Oro from 2001 to 2005



**VIPUL BHAGAT**  
**INDEPENDENT DIRECTOR**

- First appointed to the Board in 2022
- Independent board advisor of BDO Unibank & Independent advisor to BDO Risk Mgt. & Corp. Gov. Committees
- Former CIO in PPP Advisory Services Department at IFC in Washington, DC.

As of November 2024

# Senior Management Team


With extensive professional banking expertise



**NESTOR V. TAN**  
**President and CEO**  
 > With BDO since 1997  
 > Over 40 years of banking experience

## INTERMEDIATION

## SERVICES



**CHARLES M. RODRIGUEZ**  
**Head of Institutional Banking**  
 > With BDO since September 2023  
 > Over 38 years of banking experience




**DALMACIO D. MARTIN**  
**Head of Treasury**  
 > With BDO since 2009  
 > Over 34 years of banking experience




**EDUARDO V. FRANCISCO**  
**Head of Investment Banking**  
 > With BDO since 1999  
 > Over 34 years of banking experience



**CARLO B. NAZARENO**  
**Head of Transaction Banking – Cash Management Services**  
 > Over 25 years of banking experience




**ROLANDO C. TANCHANCO**  
**Head of Consumer Banking**  
 > With BDO since 2004  
 > Over 29 years of banking experience




**MA. CORAZON A. MALLILLIN**  
**Head of Branch Banking**  
 > With BDO since 2005  
 > Over 41 years of banking experience



**JOSEPH ALBERT L. GOTUACO**  
**President of BDO Private Bank, Inc.**  
 > With BDO since 2019  
 > Over 37 years of banking experience



**GENEVA T. GLORIA**  
**Head of Transaction Banking – Remittance**  
 > With BDO for over 20 years  
 > Over 30 years of banking experience



**JESUS ANTONIO S. ITCHON**  
**President of BDO Network Bank, Inc.**  
 > With BDO since Sep. 15, 2017  
 > Over 35 years of banking experience



**MANUEL PATRICIO C. MALABANAN**  
**Trust Officer**  
 > With BDO since 2015  
 > Over 40 years of banking experience



**RENATO A. VERGEL DE DIOS**  
**President & CEO of BDO Life Assurance Co. Inc.**  
 > With BDO since 2016  
 > Over 45 years of experience in insurance

As of March 2025





# Senior Management Team, continued

With extensive professional banking expertise



**NESTOR V. TAN**  
**President and CEO**  
➤ With BDO since 1997  
➤ Over 40 years of banking experience

## CORPORATE SUPPORT



**LUCY CO DY**  
**Head of Comptrollership**  
➤ With BDO since 1985  
➤ Over 34 years of banking experience



**LAZARO JEROME C. GUEVARRA**  
**Chief of Staff, Office of the President**  
➤ With BDO since 2001  
➤ Over 32 years of banking experience



**EVELYN C. SALAGUBANG**  
**Head of Human Resources**  
➤ With BDO since 2011  
➤ Over 29 years of experience in HR



**ALVIN C. GO**  
**Head of Legal Services**  
➤ With BDO since 2013  
➤ In the practice of law for 34 years



**RUFUS PINTO**  
**Head of Enterprise Services Group**  
➤ Joined BDO in March 2025  
➤ Over 24 years of banking experience



**FEDERICO P. TANCONGCO**  
**Head of Compliance**  
➤ With BDO since 2005  
➤ Over 28 years of banking experience



**PAUL JOHN SIY**  
**Head of Information Technology**  
➤ With BDO since 2019  
➤ Over 30 years of work experience



**JEFFREY M. ALEJANDRO**  
**Head of Internal Audit**  
➤ Joined BDO in 2024  
➤ Over 28 years of banking experience




**EVELYN L. VILLANUEVA**  
**Head of Risk Management**  
➤ With BDO since 2002  
➤ Over 40 years of banking experience



**LUIS S. REYES, JR.**  
**Head of Investor Relations and Corporate Planning**  
➤ With BDO since 2003  
➤ Over 43 years of banking experience

As of March 2025

# Presentation Outline

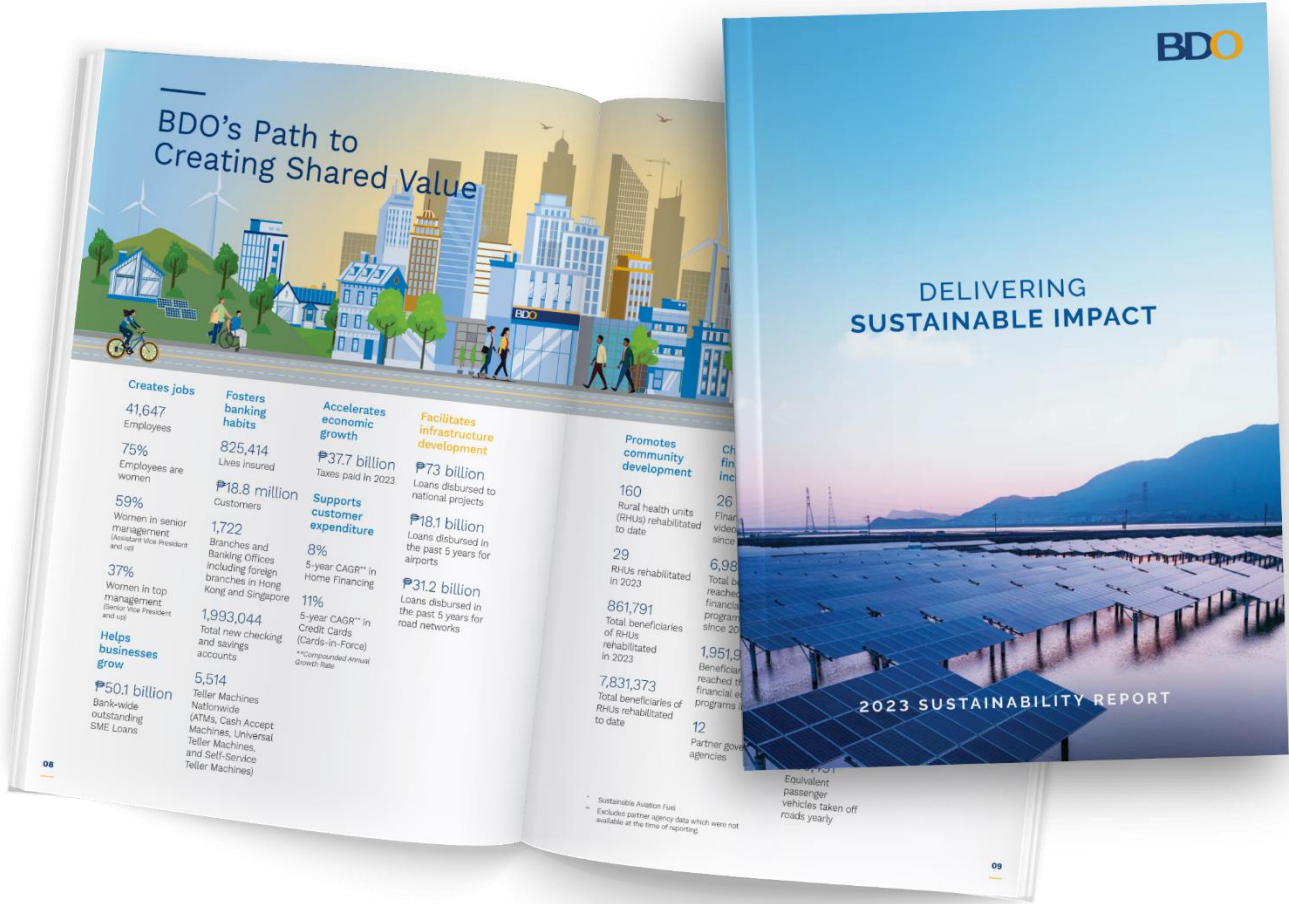
- I. Overview
- II. Financial Highlights
- III. Ownership, Board and Management
-  IV. Sustainability
- V. Awards and Citations

# 2023 Sustainability Report

## BDO Sustainability Philosophy

We seek to achieve strategic resilience by incorporating sustainability principles in the way we do business and in everything we do – from making business decisions to assessing relationships to creating products.

Sixth Sustainability Report outlining the Bank's ESG performance



Access the [BDO 2023 Sustainability Report](http://www.bdo.com.ph) at [www.bdo.com.ph](http://www.bdo.com.ph).

# Translating Goals Into Actions

## United Nations Sustainable Development Goals

### Product Sustainability



#### Teachers Loan

- Loan from PHP10k to PHP1M
- No co-maker required
- Free credit life insurance

#### Negosyante Loan

- Zero Collateral
- Affordable loans from PHP30k to PHP1M

#### Kabayan Loan

- Multi-purpose loan
- Affordable loans from PHP30k to PHP300k



#### Kabalikat Plan

Personal accident insurance for only PHP500



9,764 Partner Agents

105 mn

Cash Withdrawal Transactions to date

92%

Philippine Municipalities Covered

5,769 Domestic and International Financial Literacy Lessons Conducted

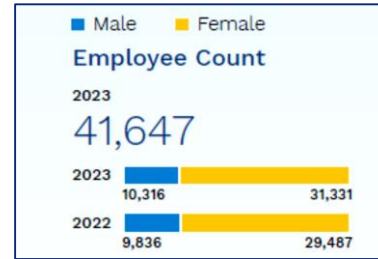
**BDO ESG Equity Fund** The first ESG-themed Unit Investment Trust Fund

Jointly arranged the first **Gender Bond Issuance in the Country**

# Translating Goals Into Actions

## United Nations Sustainable Development Goals

### Human Capital



44%  
Employees covered by Collective Bargaining Agreement

59%  
Female Senior Officers

#### Employee Functions



### Disaster Response



**Relief Operations**  
Beneficiaries to date  
805,261 families  
2023 beneficiaries  
43,500 families

**Rural Health Units (RHUs)**  
160 Rehabilitated RHUs to date  
29 Rehabilitated RHUs in 2023  
7,831,373 Population covered to date  
861,791 Population covered in 2023

**School Buildings Built**  
19 Elementary schools  
15 High schools  
1 College

**Beneficiaries per Year**  
15,800 Elementary students  
16,788 High school students  
1,589 College students

**Classrooms Built**  
63 in Elementary schools  
60 in High schools  
4 in College

**Tech-Voc Training Facilities**  
1,006 Beneficiaries per year  
6 Classrooms built  
3 Workshops built

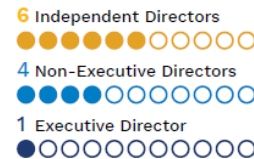
### Governance-Based



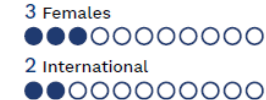
**BDO's commitment to sustainability is fostered at the Board Level**



#### DIRECTOR INDEPENDENCE



#### DIRECTOR DIVERSITY

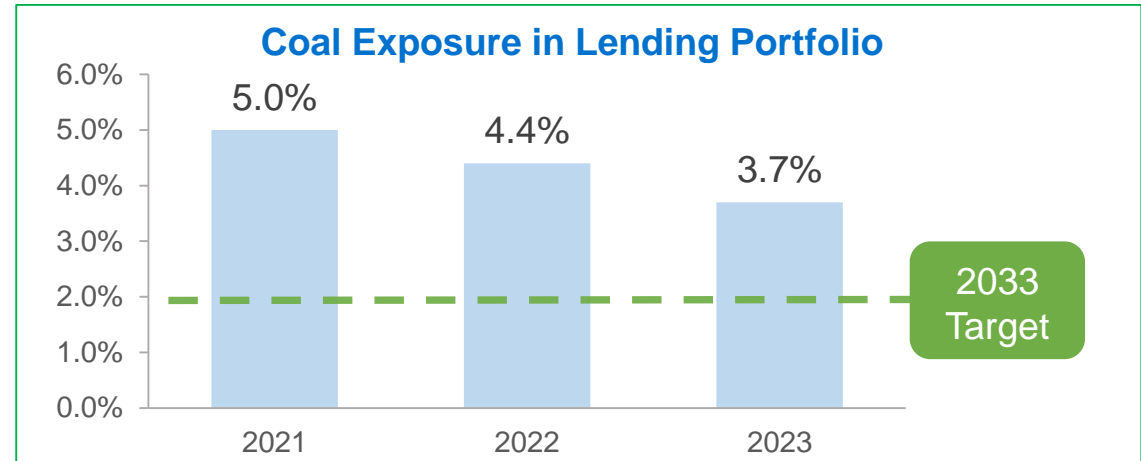


- Asia's Top Sustainability Advocates (*Asia Corporate Excellence & Sustainability Awards (ACES) 2023*)
- PH's Top 20 publicly-listed companies scoring highest in corporate governance (*ASEAN Corporate Governance Scorecard*)
- Platinum Awardee for the 13<sup>th</sup> consecutive year (*The Asset's ESG Corporate Awards 2022*)

# Translating Goals Into Actions

## United Nations Sustainable Development Goals

### Sustainability Contribution to National Economic Goals



### Sustainable Energy Finance Projects



Biodiesel  
60 ML/Y  
₱137 million



Bioethanol  
44.1 ML/Y  
₱920.9 million



Biomass  
164 MW  
₱24.9 billion



Geothermal  
1,179 MW  
₱17 billion



Hydro  
433.1 MW  
₱28.2 billion



Solar  
504.9 MW  
₱15.7 billion

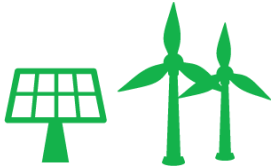


Wind  
96 MW  
₱4.1 billion

*\*Installed capacity and disbursed loan amount*

# Translating Goals Into Actions

The SEF program financed renewable energy, energy efficiency and green building projects



**PHP898 bn**

Total Sustainable Finance projects funded to date



Renewable Energy Projects funded to date



**72,466,757**

Equivalent tree seedlings grown over 10 years



**2,377 MW**

Total installed renewable energy capacity in megawatts



**930,491**

Equivalent passenger vehicles taken off roads yearly



**4,382,572**

Tonnes Carbon dioxide avoided per year

# Energy Transition Finance Statement



## FINANCING



**Since 2019**  
No new coal-fired powerplant capacity



**Sustainable Finance Program**  
More renewable energy projects

## DIVESTMENT



**By 2033**  
Reduce coal exposure\* by 50%



**Coal exposure\* does not exceed 2%** of loan portfolio  
\*Coal exposure refers to the term loans and does not include short-term working capital.



**Risk Assessment and Due Diligence**  
Increased requirements for customers with coal and fossil fuel investments

## CAVEATS



**In the event of an energy crisis**  
BDO may reconsider extending capital for coal projects, to support the country's social goals

## ENERGY TRANSITION SUPPORT



**Expand Sustainable Finance**  
For renewable energy capacity and GHG avoidance



**Provide access to capital**  
Support customer's transition to lower GHG emissions  
Support communities affected by the energy transition

## CLIMATE-RELATED DISCLOSURE AND TRANSPARENCY



TCFD

Report progress based on Task Force on Climate-related Financial Disclosures (recommendations)

## OVERALL GOAL/RESULT



**Increased renewable energy capacity**  
**Decreased GHG emission**





# Sustainable Finance Leader since 2010

The first local bank to establish (in 2010) the risk-based Social and Environmental Management System (SEMS) policy in the country in partnership with the IFC

**Green Bond (USD150 million) in 2018:**  
First commercial bank issuance in the Philippines and East Asia Pacific

**Blue Bond (USD100 million) in 2022:**  
First private sector issuance in Southeast Asia

**ASEAN Sustainability Bonds**  
PHP 52.7 billion in January 2022  
PHP63.3 billion in January 2024; largest issuance for any Philippine company  
Latest PHP55.7 billion in July 2024

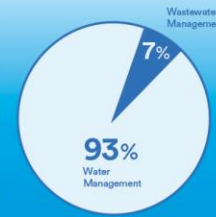
## BDO Unibank's Blue Bond Issuance

The Blue Bond-financed projects provide solutions to a systemic issue that ensure the availability of water and ocean pollution prevention for future generations.



**US\$ 46.4**  
Water Management

**US\$ 3.6**  
Wastewater Management



✓ First financial institution to follow IFC's Guidelines for Blue Finance

✓ First private sector issuance by a commercial bank in Southeast Asia

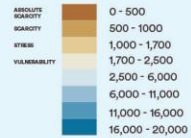


### Water Stress

A situation when water supply is from 1,000 to 1,7000 m<sup>3</sup> per capita per year.

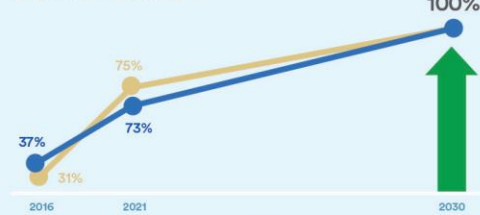
**1,446m<sup>3</sup>**

water availability per capita per year in the Philippines



Source: Philippine Water Supply and Sanitation Master Plan

### Ocean Pollution



Legend: Dissolved Oxygen (Yellow), Biochemical Oxygen Demand (Blue)

Source: Philippine Statistics Authority, SDG Watch



### Blue Bond Financing Results

**19,240 tonnes**

CO<sub>2</sub> emission avoided



**60Mm<sup>3</sup>**

Groundwater extraction avoided



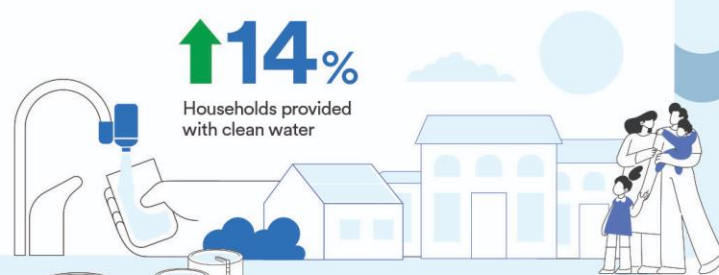
**4,517m<sup>3</sup>**

Additional volume treated annually



**↑14%**

Households provided with clean water



**329,939m<sup>3</sup>**

Water losses avoided



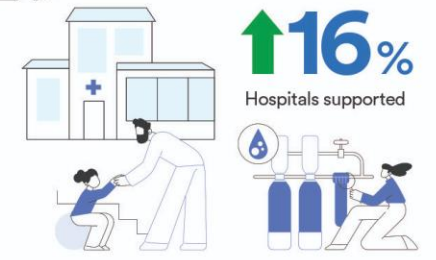
**↑52%**

Companies with treated water



**↑16%**

Hospitals supported



# Sustainable Finance Framework

## Objectives

- Achieve strategic resilience by incorporating sustainability in the way BDO conducts business
- Integrate environmental, social and governance (ESG) and sustainability principles in financial products and services
- Embed sustainability principles when making decisions, assessing relationships and creating products
- Align business operations with the SDGs
- Support the principles of the United Nations Global Compact
- Strengthen leadership in Responsible Finance locally, regionally, and globally

## Sustainable Finance Coverage

### Green Finance

- Renewable energy
- Green buildings
- Clean transportation
- Resource efficiency and pollution prevention and control
- Environmentally sustainable management of living natural resources and land use
- Sustainable water and wastewater management
- Energy efficiency
- Climate change adaptation

### Blue Finance

- Sustainable water and wastewater management
- Offshore renewable energy
- Ocean-friendly and water-friendly products
- Ocean-friendly chemicals
- Prevention, control, and reduction of waste from entering the coastal and marine environments
- Sustainable fisheries, aquaculture, and seafood value chain
- Ecosystem management, protection and natural resources restoration
- Resource efficiency and circular economy
- Sustainable shipping and port logistics sector projects

### Social Finance

- Employment generation
- Food security
- Access to essential services
- Affordable basic infrastructure
- Affordable housing
- Social and economic empowerment

### Orange/Gender Finance

- Gender responsive products and/or services
- Projects or enterprises with a substantially gender diverse and equitable workforce, and/or gender-inclusive value chains, that ensure gender-pay equity and equal workplace and employment-related rights to all regardless of gender identity
- Women-owned and/or Women-led enterprise
- Financing other ESG or SDG-aligned projects or initiatives that are intentionally designed to substantially and disproportionately have a positive net impact on women, girls or gender minorities

Access the [BDO Sustainable Finance Framework](http://www.bdo.com.ph) at [www.bdo.com.ph](http://www.bdo.com.ph).

# Certified by Sustainalytics\*

## Green Bond Framework:

*“BDO’s Sustainable Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles (2021), Social Bond Principles (2023), Green Loan Principles (2023), Social Loan Principles (2023), ASEAN Sustainability Bond Standards (2018), ASEAN Green Bond Standards (2018), and ASEAN Social Bond Standards (2018).”*

## Blue Finance Framework:

The SPO also confirms alignment with the International Capital Market Association (ICMA) Green Bond Principles as well as the IFC’s recently released Blue Finance Guidelines.

\* A leading independent Environmental, Social and Governance (ESG) research and ratings provider

Per [Second-Party Opinion](#) by Sustainalytics dated July 19, 2024

# Environmental & Social Risk Management System (ESRMS)

BDO has built on the SEMS Policy and developed it into a comprehensive ESRMS that will help identify, assess, and manage E&S risks associated with its lending, investments, and administrative operations

## Fully incorporates the Bank's:

- ❖ key focus areas;
- ❖ key focus sectors with high probability of E&S risk;
- ❖ approach to lending, investments, and administrative operations, including its supply chain;
- ❖ enhanced due diligence, implementation, monitoring, and reporting

The ESRMS provides the Bank's risk appetite for key sectors, defining the nature and level of risk that BDO is willing to take in order to achieve its sustainability strategies

# Environmental Responsibility and Social Equity

BDO will not finance any activity engaged in the following:



Any product or activity deemed illegal under host country laws



Gambling, casinos, and equivalent enterprises



Harmful or exploitative forms of forced labor/harmful child labor



Weapons and munitions



Online gaming and equivalent enterprises



Commercial logging operations for use in primary tropical moist forest



Alcoholic beverages (excluding beer and wine)



Radioactive materials. (This does not apply to the purchase of medical equipment).



Wood or other forestry products other than from sustainably managed forests



Tobacco



Unbonded asbestos fibers



Activities involving (i) involuntary resettlement; (ii) risk of adverse impacts on indigenous peoples, (iii) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage, or (iv) significant occupational health and safety risks




Any business related to pornography and/or prostitution



Drift net fishing in the marine environment using nets in excess of 2.5 km. in length

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# Awards & Recognition

## Best Bank in the Philippines

**Alpha Southeast Asia**  
(2010-2016, 2018, 2020-2024)

**AsiaMoney**  
(2020)

**The Asian Banker**  
(2022)

**The Asset**  
(2011, 2013-2021)

**The Banker**  
(2021)

**Brand Finance**  
(2024)

**Enterprise Asia**  
(2020-2021)

**Euromoney**  
(2024)

**FinanceAsia**  
(2010-2021, 2023-2025)

**Forbes**  
(2021)

**Fortune Southeast Asia 500**  
(2024)

**Global Finance**  
(2014-2017, 2019-2024)

**International Banker**  
(2020)

**Reader's Digest**  
(2021)





# Awards & Recognition

## Sustainability and ESG

### ASEAN Corporate Governance Scorecard (ACGS)

Five Golden Arrows awardee (2024)

Four Golden Arrows awardee (2022)

### Asia Corporate Excellence & Sustainability Awards (ACES)

Top Sustainability Advocates in Asia awardee (2021-2024)

Industry Champions of the Year awardee (2019, 2022)

### Asian Banking & Finance

BDO Unibank, Sustainable Finance Initiative of the Year – Philippines (2023)

BDO Foundation, Financial Inclusion Initiative of the Year – Philippines (2023-2024)

BDO Foundation, COVID Management Initiative of the Year – Philippines (2020-2021)

**BDO Unibank is a constituent of the FTSE4Good Index of FTSE Russell (2019-Present)**

### The Asset

Platinum Award (2010-2024)

### Corporate Governance Asia

The Best of Asia awardee, Asian ESG Award (2005-2019, 2021)

Asian Excellence awardee (2011-2024)

Asia's Best CSR awardee (2020-2024)

Best Corporate Communications awardee (2014-2015, 2017-2024)

Best IR Company (Philippines) awardee (2011-2024)

Best Environmental Responsibility awardee (2023)

Sustainable Asia awardee (2020-2024)

### Euromoney

Best Bank for ESG (2024)

### FinanceAsia

Best Bank for Financial Inclusion in the Philippines (2024)

Best Investor Relations, Philippines (2020 – Gold, 2022 - Silver)

Best Corporate Governance (2020 – 2nd)



FTSE4Good

# Awards & Recognition

## Sustainability and ESG (con't)

### Enterprise Asia

BDO Foundation (Category: Health Promotion)  
Asia Responsible Enterprise Awards (2021)

### Global Good Governance Awards (3G)

3G Green Innovation & Solution Category for Green Bond Framework (2024)  
3G Best Corporate Governance Reporting (2023)  
3G Social Empowerment Award (2023)  
3G Championship Award in Transparency (2021)  
3G Championship Award in Service Excellence (2021)  
3G Excellence Award in Education & Literacy Programme (2021)

### International Association of Business Communicators (IABC) Philippines

Excellence Award for Communication Skills - BDO 2020 Sustainability  
Report (2022)

### MORS Group

Top Sustainability Advocates in Asia awardee (2021-2023)

### Retail Banker International Asia

Best Advance in Sustainability Practices (2023)  
Best Advance in Responsible Finance (2024)



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Facebook:

<https://m.facebook.com/BDOUnibank/>

YouTube:

<https://www.youtube.com/user/BDOPhilippines>

## Other Relevant Links:

[BDO 2023 Annual Report](#)

[BDO 2023 Annual Report Financial Supplements](#)

[BDO 2023 Audited Financial Statements](#)

[BDO 2023 Sustainability Report](#)

[BDO First Quarter 2024](#)

[BDO Second Quarter 2024](#)

[BDO Third Quarter 2024](#)

[BDO 2024 Audited Financial Statements](#)



**Thank you.**  
**[www.bdo.com.ph](http://www.bdo.com.ph)**